



November, 1993

REAL ESTATE TRANSFER NEWS

The following questions and answers are given as general interpretations of the Wisconsin Administrative Code and Statutes. Should you have further questions, please write to the Bureau of Utility and Special Taxes, Wisconsin Department of Revenue, P.O. Box 8933, Madison, WI 53708.

- 1Q. I am purchasing a business property for one million dollars. The agreement states that if the use of the property during the first six months after the sale remains the same as the seller's use was, the buyer is to pay an additional \$200,000. What amount should be included on the transfer return.
- A. The amount paid or to be paid is \$1,200,000. Please see sec. 77.21(3), Stats., for the definition of value. A refund claim should be filed if the additional payment is not made.
- 2Q. Question 7 of the "Real Estate Transfer News," June 1993, stated that when you re-recorded a land contract the original deferred fee is payable. What happens if I file an amendment to the original land contract?
- A. The original fee is no longer deferred. Any amendment to the original land contract that is recorded would cause the deferred fee to be payable. Also, if a vendee assigns his or her interest in a land contract to another, the original deferred fee as well as a fee on the assignment is due and payable upon recording of the assignment.
- 3Q. Does the recording of a sale or assignment of a vendor's interest in a land contract cause a deferred fee to be paid?
- A. No. All vendees should have been allowed a credit for the fee from the vendors upon closing on the original land contract.
- 4Q. I have filed a deed and real estate transfer fee return in the wrong county. Why must I request a refund from the state and not the county?
- A. The statute permits only the state to grant refunds. In addition it would be impractical from an audit and accounting perspective for County B to pay the erroneously collected fee to County C. Note that the refunds granted by the state in fiscal 1993 were predominantly caused by misfiled deeds.